



# GOP ENERGY NON-POLICY: CARS DON'T RUN ON HOT AIR!

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# FACTOR IN OUR ENERGY POLICY

A joint report  
by the  
House Democratic Policy Committee  
and the  
Democratic Caucus Task Force  
on Oil and Gas

In the past year, fuel prices have climbed at a record-breaking pace. The Department of Energy (DOE) now predicts that summer gas prices could hit over \$1.80 per gallon. In many parts of the country, prices have already climbed over \$2.00.

As Americans feel the bite on their wallets every time they fill up or buy an airline ticket, **they have a right to know why the Republican Congress has no energy action plan.** Republicans seem to believe photo-ops at gas stations are a substitute for an effective plan to make America more energy-efficient.

Years of Republican neglect, hostility and mismanagement have crippled America's once cutting-edge development and use of energy efficiency programs. Furthermore, Republicans have endangered our immediate national security and prosperity by failing to reauthorize the President's ability to release oil from the Strategic Petroleum Reserve (SPR). Instead they are using this gas price crisis as a chance to promote their reckless tax and environmental policies that would have virtually no impact on fuel prices.

### ***Failing to Invest For the Future***

It is hard to believe now, but at one point the United States was the world leader in developing and using energy-efficient technology. But, in the 1980's, despite the fresh memories of gas lines that were all too common in the 1970's, Republicans started their attacks on energy conservation programs. The Reagan/Bush Administrations repeatedly proposed to zero-out vital energy efficiency and renewable energy programs. **In the end, the GOP Administrations cut energy research and development funding by billions of dollars.** The high pump prices we are paying today are a legacy of this shortsighted policy.

What Republicans fail to recognize is that energy-efficiency programs **work.** Despite GOP cutbacks, over the years, working in partnership with private enterprise, the country has made dramatic improvements in everything from high-efficiency home appliances, to energy-efficient home construction, to low-energy lighting. Each of these breakthroughs has saved money for consumers and cut energy needs for the entire country.

In 1995, when Republicans took control of both the House and Senate, they once again started to attack. In their first effort upon taking control of Congress, Republicans cut energy efficiency programs **26%.** (\$1.117 billion in FY1995 was cut to \$840 million in FY1996). The Budget Committee Report for FY1997 actually recommended abolishing the Department of Energy, and further cutting energy conservation programs 62% over five years. In those five years, the GOP slashed funding for solar, renewables, and conservation programs by a total of \$1.338 billion below Clinton Administration requests. (See the chart at the end of this report.)

**That \$1.338 billion shortfall could have gone a long way to strengthening our ability to manage gas and energy prices.** This money could have advanced research on more fuel-efficient cars — the partnership with American automakers to develop a next generation car could effectively cut consumer gas bills in half by more than doubling fuel efficiency.

Furthermore, Republicans have cut programs like the Weatherization Assistance Program beginning in 1995, when they cut it by 50 percent. Indeed, according to the Energy Department, if the Republicans had just level funded the Weatherization Assistance program between 1996 and 2000, the Energy Department could have provided assistance to 250,000 more households.

Even now, in the middle of an energy emergency, House Budget Committee Republicans are voting once again to short-fund energy programs. On March 15, the Budget Committee Democrats offered an “energy independence” amendment to the FY 2001 budget resolution, which would have matched energy funding with the Administration’s request. This would have resulted in over \$1 billion in additional investment in energy efficiency over the next four years. It would have meant a 25% or \$256 million increase in FY 2001 alone. And yet the Republicans on the committee defeated this amendment.

### ***Failing to Safeguard Our Economy***

One possible lever in energy policy is the Strategic Petroleum Reserve (SPR). SPR was created to protect our national security and economy from foreign price and supply problems. Releasing oil from the Strategic Petroleum Reserve would increase the nation’s supply of oil — thereby reducing its price. **However, in the middle of a gas price crisis, House Republicans are about to let the President’s authority to protect our economy by using the Strategic Petroleum Reserve (SPR) expire.** House Democrats, on March 22, have written to Speaker Dennis Hastert to urge immediate action to reauthorize the key provisions that make SPR work. The President’s authority to use SPR, which expires March 31<sup>st</sup>, is in the Energy Policy and Conservation Act Reauthorization (H.R. 2884), which has been reported by committee. The Senate has already passed its own version of the reauthorization, but still the House GOP leadership won’t bring H.R. 2884 to the Floor. Indeed, the Senate bill (a simple reauthorization of SPR) has languished in the Republican House since September 1999.

Despite the steady upward march of gas prices, the only bill the Energy and Power Subcommittee has brought to the floor this Congress was a license extension for a water project that has never been built. With the President’s SPR authority scheduled to lapse within days, no action has been scheduled on a reauthorization bill.

**Furthermore, in 1999, the Republicans rejected an Energy Department proposal to buy \$100 million of crude oil (or nearly 10 million barrels of crude at that time of record low prices) to build up SPR for use during a gas crisis.** The reserve has 115 million barrels of unutilized capacity that could have been filled with low-price domestic crude — building up our reserve and helping domestic producers. Now, after losing near record numbers of American producers in 1998, we are more dependent than ever on imports.

### ***Dropping the Ball***

It took House Republicans nearly a year to recognize that rising fuel prices were a national problem. They last looked at oil prices in March 1999 and only held a second hearing in March 2000. Three days before their March 1999 hearing, OPEC announced production cuts to raise crude prices, with Subcommittee Chairman Barton even acknowledging that the OPEC production cuts were already starting to push prices up. However, despite the overwhelming evidence throughout 1999 and early 2000 that the prices of gas, diesel and home heating oil were on the rise, House Republicans failed to hold a single hearing or make a single proposal on stabilizing fuel prices. Indeed, throughout this period, they took no steps to invest in America’s energy independence and economic security.

**Instead, in 1999, Republican Leaders called for eliminating the Department of Energy and selling off the Strategic Petroleum Reserve.** Specifically, in April and May of last year — after OPEC’s production cuts started a sharp rise in prices — Republican Leaders Dick Armey, Tom Delay, and Roy Blunt joined Republican Budget Chair John Kasich and 34 other Republicans to introduce H.R. 1649, the “Department of Energy Abolishment Act.”

The Armey-Delay Energy Bill eliminated the Energy Department and with it oil conservation programs and renewable energy conservation and research. It took energy policy out of the Cabinet, and sold off the SPR and the Navy’s petroleum reserves.

Another ironic example of the Republicans dropping the ball over the last five years is when the Chairman of the Energy and Environment Subcommittee of the House Science Committee held hearings in 1996 that attacked the DOE’s Energy Information Administration for consistently “overestimating” the price of oil and using those “inflated” predictions to justify increases in conservation R&D programs. The Subcommittee chairman, Dana Rohrabacher, criticized DOE officials for predicting “an imminent oil crisis” that could be caused by increased demand, increased imports and instability in the Persian Gulf. The projections that drew Chairman Rohrabacher’s criticism predicted that by the year 2000, the price per barrel of imported oil would be as high as \$34.00. As of March 7, 2000, the price was \$34.13.

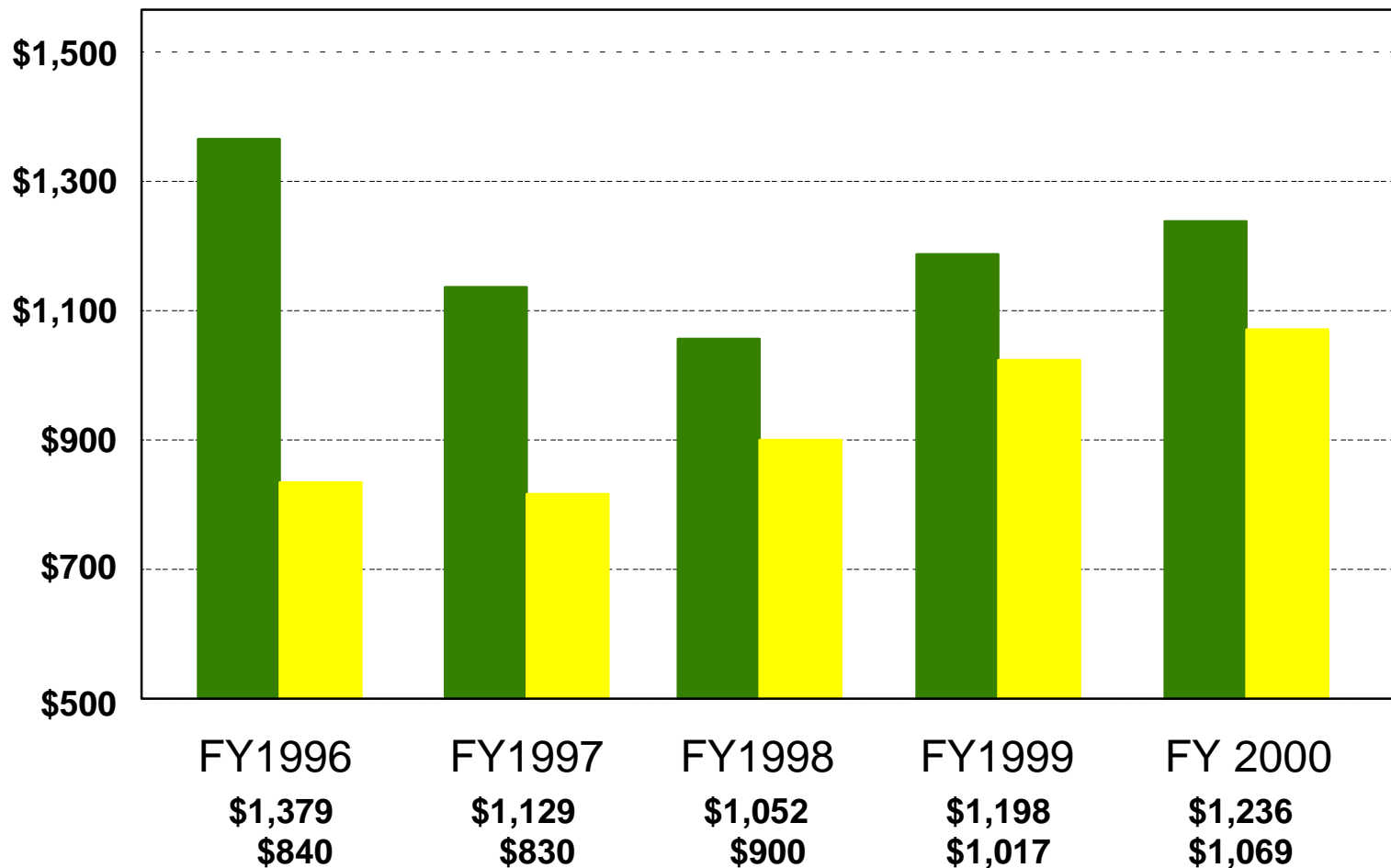
— “U.S. Energy Outlook and Implications for Energy R&D,” Hearing before the Subcommittee on Energy and Environment of the Committee on Science, U.S. House of Representatives (104<sup>th</sup> Congr., 2<sup>nd</sup> Session) (March 14, 1996).

### ***When In Doubt, Help Special Interests***

After weeks of heated partisan debate — between Republicans versus Republicans, that is — Governor George W. Bush’s risky gas tax scheme seems to be faltering. The Bush proposal to drop 4.3 cents off the Federal gas tax would have cost highway and transit programs billions in lost revenue. The proposal was opposed by Republican Transportation Committee Chairman Bud Shuster and Republican Leader Dick Armey. The proposal would have had an almost non-existent impact on prices, and lacked any guarantee that the savings would have been passed through to consumers.

Now some Republicans are calling for increased drilling off the coast of California and in the Arctic National Wildlife Reserve. Even if these steps could be undertaken without hurting the environment, it can take over a decade to find and develop new oil fields.

# Energy Efficiency and Renewable Energy Budget



Admin Request



Appropriated



Source: House Appropriations Committee